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Dealerscope Merchandising

The Marketing Magazine for Consumer Electronics and Major Appliance Retailing

The Inside Track on VSDA '87

HBO, Vestron clash, PPV stats raise fears

Microwave Milestone

Countertops mark 20th anniversary

MANAGE BETTER

Retailers and Pros share tips on image and profit

WAYNE PUNTEL, *owner Audiocraft*

How to Expand and Thrive

Hiring Staff for Solid Sales

Home Office Sales Strategies

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Opportunity Knocks

RARELY has a fourth quarter presented the progressive-thinking retailer with more opportunity. However, there have been few times when there were greater pitfalls for the dealer who holds with a business-as-usual attitude.

Like it or not, change is the order of the day.

Consumer electronics dealers face a proliferation of product mix. New formats in video — including Super-VHS and ED-Beta — have arrived. CD-Video is coming. In audio, DAT should stimulate the home, portable and autosound markets — if the hardgoods industry prevails over the RIAA in the U.S Congress.

In the major appliances, electronic-controlled products present an exciting sales opportunity. And, with this development comes an opportunity to upgrade displays. . . something our editors will be reporting more about in the months ahead.

Among our readers, we see a mixed reaction to the many changes. Some are ready and welcome progress. Floor displays have been updated to present the new video formats with big-screen projection systems, maximizing visual impact.

Some major appliance retailers are presenting the new technologies in home-like-setting/ model-room displays. Rows of new refrigerators, ranges, dishwashers and washers and dryers remain the popular approach to major-appliance product displays. However, more stores are allocating space for built-ins. Some retailers are even offering kitchen-planning/interior-design services to boost their built-in sales.

Upgraded displays are "in," regardless of the category. Fixtures and lighting now are recognized as critical elements by progressive merchandisers who see new possibilities in selling on sizzle, not just price.

To the moaners and groaners who resist new merchandising ideas and technology, we can offer little comfort but some good advice.

Get off the sales floor and shop your market! See what your competition is doing! Reevaluate your advertising and promotion, your displays and the expertise of your salesforce!

Times have changed. You can't count on yesterday's strategies any longer.

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PEOPLE ON THE MOVE

Koss Corp. promotes **Michael J. Koss**, son of founder **John Koss** to president and COO.

N.A.P. Consumer Electronics Corp. names **Thomas P. Costello**, VP, sales for Philips and **Ronald E. Archer** VP, sales for Philco.

TDK reorganizes U.S. sales management staff, names **Koyo Yokoi** VP, consumer sales; **Kei Ito** VP, industrial sales.

Zenith Data Systems (ZDS) has named **Andrew Czernek** VP, product marketing and **Ron McClanahan** VP, customer services.

Josh Yoshioka, senior VP, sales and marketing for JVC Company of America, will return to Japan to assume the post of general manager of overseas business activities for the magnetic products division of the Victor Company of Japan. Assuming Yoshiokas's duties is **Yoshiyuki Maeyama**, former Victor overseas director.

Koss

Archer

Yokoi

Locke

New members of the VSDA board of directors: **David A. Ballstadt** (Adventures in Video, Inc., Fridley, MN); **Lou Berg** (Audio/Video Plus, Houston, TX); **Allan Caplan** (Applause Video Corp., Omaha, NE); and **Carol Pough** (Video Cassettes Unlimited, Inc., Santa Ana, CA).

Cobra announces that **Jack Gelman** and **Gary Sedan** will head the new business development group to diversify Cobra's products into new areas of consumer electronics, including the home entertainment market. Next year, Cobra plans to introduce home-audio component and rack-system product lines.

David Locke, president of Bear Marketing, West Richfield, OH, has been elected president of the Electronic Industry Show Corporation. Locke will head the planning process for EDS '88, the annual conference and exposition for electronic distributions.

Jack Morgan, former rep, joins Sansui as sales and marketing VP, car audio products.

Adam Platnik promoted to business affairs VP, Vestron.

Michael O. Johnson promoted to VP international sales and distribution for Buena Vista Home Video, to oversee sales and distribution of Walt Disney and Touchstone Home Video cassettes.

STAT WATCH

TOTAL U.S. MARKET STATISTICS
Sales to Retailers
July 1987 vs. July 1986
(In Units)

	July 1987	July 1986	Percent Change	Year-to-date 1986	Year-to-date 1985	Percent Change
TELEVISION						
Color	1,243,311	1,248,453	- 0.4	10,012,155	9,361,894	+ 6.9
Monochrome	245,792	285,694	-14.0	1,661,415	2,030,650	-18.2
TOTAL TV*	**1,489,103**	**1,534,147**	**- 2.9**	**11,673,570**	**11,392,544**	**+ 2.5**
Projection TV	16,822	18,948	-11.2	131,852	143,768	- 8.3
Color TV with Integral MTS** (Built-in stereo)	257,267	216,836	+18.6	1,864,032	1,461,850	+27.5
Home VCR	916,228	832,708	+10.0	6,606,935	6,549,270	+ 0.9
Camcorders***	116,394	95,656	+21.7	699,623	486,585	+43.8

Information contained in this release reflects total market statistics for products produced and/or sold in the United States regardless of the brand name or country of origin.

*Excludes projection television
**Included in Color Television
***Included in Home VCR
Source: Electronics Industries Association Consumer Electronics Group.

Richard L. Vonderhaar appointed national accounts manager for ITT Commercial Finance.

Gerald Sank joins Welbilt as corporate vice president.

Whirlpool Leasing Services appoints **David E. Ellies** to director, lease marketing.

Maytag Financial Services names **Edward D. Shuey**, credit/collection manager, **Robert K. Baylor**, senior account representative, and **D.Elise Allison**, account representative.

David E. Dolak appointed president and general manager, and **Edward J. Herrelko**, appointed executive VP, for Caloric Corp., a Raytheon company.

Thomas J. Haenisch named product manager, refrigeration, and **Charles W. Courtney** named manager, special markets, at Admiral Home Appliances. **Don Weeks** replaces Courtney as Chicago sales manager.

Dolak

Herrelko

Tatung announces the appointment of **Nancy Haugen**, West Coast regional sales manager for housewares division.

Whirlpool names **Charles E. Proctor**, VP, sales and distribution, and **Art Maxon**, director, sales division.

STAT WATCH

MAJOR HOME APPLIANCE FACTORY SHIPMENTS THOUSANDS OF UNITS
(Domestic Plus Export) July, 1987

	July 1987	July 1986	Percent Change	Calendar Year to Date 1987	Calendar Year to Date 1986	Percent Change
ALL MAJOR APPLIANCES*	**4,012.4**	**3,986.3**	**+ 0.7**	**28,279.5**	**26,016.9**	**+ 8.7**
COOKING — TOTAL	**1,182.8**	**1,158.5**	**+ 2.1**	**8,451.6**	**8,346.8**	**+ 1.3**
Electric Ranges — Total	286.0	282.9	+ 1.1	1,920.5	1,867.1	+ 2.9
Free Standing	233.0	231.4	+ 0.7	1,546.2	1,530.5	+ 1.0
Built-In	52.9	51.5	+ 2.7	374.3	336.6	+11.2
Microwave Ovens/Ranges**	913.0	891.7	+ 2.4	6,630.4	6,586.3	+ 0.7
HOME LAUNDRY — TOTAL	**846.9**	**879.3**	**- 3.7**	**6,103.8**	**5,530.9**	**+10.4**
Automatic Washers	484.0	521.1	- 7.1	3,462.7	3,216.0	+ 7.7
Dryers — Total	362.9	358.2	+ 1.3	2,641.1	2,314.9	+14.1
Electric	281.1	280.9	+ 0.1	2,057.3	1,815.8	+13.3
Gas	81.8	77.3	+ 5.8	583.8	499.1	+17.0
KITCHEN CLEAN UP — TOTAL	**681.1**	**633.1**	**+ 7.6**	**5,041.6**	**4,677.2**	**+ 7.8**
Disposers	342.9	296.3	+15.7	2,580.7	2,394.9	+ 7.8
Dishwashers — Total	321.6	323.1	- 0.5	2,332.4	2,179.1	+ 7.0
Built-In	305.8	304.6	+ 0.4	2,193.6	2,046.6	+ 7.2
Portable	15.7	18.4	-14.7	138.8	132.4	+ 4.8
Compactors	16.6	13.7	+21.2	128.5	103.2	+24.5
FOOD PRESERVATION — TOTAL	**869.1**	**888.2**	**- 2.2**	**4,879.9**	**4,565.4**	**+ 6.9**
Refrigerators	731.8	729.6	+ 0.3	4,132.3	3,814.7	+ 8.3
Freezers — Total	137.2	158.6	-13.5	747.6	750.7	- 0.4
Chest	73.7	84.8	-13.1	415.6	406.2	+ 2.3
Upright	63.6	73.8	-13.8	332.0	344.5	- 3.6
HOME COMFORT — TOTAL	**432.5**	**427.2**	**+ 1.2**	**3,802.6**	**2,896.6**	**+31.3**
Room Air Conditioners	350.5	361.4	- 3.0	3,180.3	2,428.6	+31.0
Dehumidifiers	82.0	65.8	+24.6	622.4	467.9	+33.0
GAS RANGES***	**141.3**	**129.6**	**+ 9.0**	**1,163.4**	**1,074.1**	**+ 8.3**

*Numbers do not add because of overlapping product categories.
**Includes U.S. produced and imported microwave ovens and combination microwave ovens/ranges.
***Source: GAMA. Not included in cooking total or total shipments.
****Source: AHAM (Assn. Home Appliance Manufacturers)

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A/V Systems' Sales Potential

Hidden Profits
Discover treasure in video sell-thru

Survival Tactics
From Elly Valas, NARDA Prexy

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BPA

How To Cash In On Cellular Boom

THERE'S a cellular telephone boom in the offing. You don't have to be a genius to know that dealers who stock these phones are going to sell a bunch of them, once this boom gets going.

It's not even a matter of creating a market for cellular phones. Americans want them. However, experts say the price of cellular equipment and the service must come down.

Equipment prices are coming down. . .fast. It took two years for the average cost of a car phone to drop from more than $2,000 to $1,400. Then we began to see prices at around $900. Just the other day, we saw an ad in a Miami newspaper for a GE car phone at $299.

Telecommunications industry executives say monthly cellular phone carrier rates will approach home rates within the decade. Chances are it won't take that long. Non-wireline companies are giving the Bell companies such a run for their cellular money that some are already offering discounts and free features such as call-waiting.

Smart dealers are preparing for the cellular boom. As they say. . .if you don't play, you can't win.

Home Office Sales: Here They Come!

THE EIA predicts that some $3 billion worth of personal computers will be sold in 1988. Units shipped will increase 15 percent to 4.7 million, the association says.

This, coupled with a forecast that factory sales of home software operating (programs on disks for computers priced under $3,000) will hit $2 billion, makes us wonder why so many consumer-electronics dealers are missing the boat.

Less than half of the consumer-electronics retailers in the U.S. currently stock home office equipment and supplies (including PCs).

As the U.S. workforce becomes computer-literate, more consumers know what they want to buy before they visit a store. As the "computer mystique" diminishes, the computer sales opportunity for the general consumer-electronics retailer increases.

There's no question that more and more consumers are going to buy computers. The only question is: Where will they buy them?

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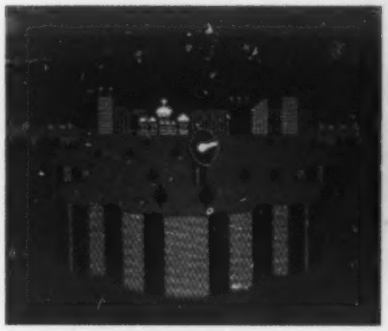

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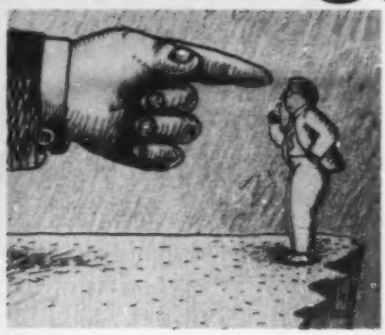

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